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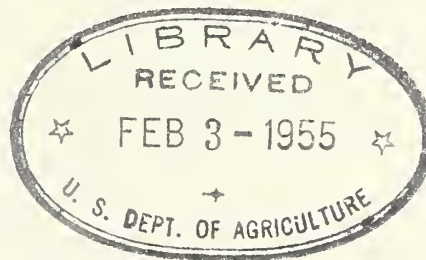
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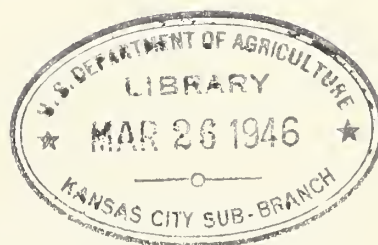
A COMPARISON OF FEDERAL LAND BANK APPRAISALS
DURING THE WAR PERIOD WITH APPRAISALS DURING
THE PREWAR PERIOD



This report consists of a comparison of appraised values made by Federal Land Bank Appraisers during the 2-year period ending June 30, 1945, with appraised values of identical farms during the period January 1, 1937, through June 30, 1941

United States Department of Agriculture
Farm Credit Administration
Economic and Credit Research Division
Kansas City 8, Missouri
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A COMPARISON OF FEDERAL LAND BANK APPRAISALS DURING
THE WAR PERIOD WITH APPRAISALS DURING THE PREWAR PERIOD a/

Purpose of study - This study was undertaken for the purpose of providing data which might give some indication of how values placed upon farms by land bank appraisers during the war period compared with values during the prewar period. The approach used was to make a comparison of appraised values for identical farms which were appraised during both the war and prewar periods.

Procedure - Data were requested from each farm credit district for identical farms which were appraised during the period January 1, 1937, through June 30, 1941, and which were again appraised during the period July 1, 1943, through June 30, 1945. Bank-owned properties were excluded from the comparison. It was requested that cases be omitted where a different acreage was involved in the reappraisal or where there had been substantial changes in the property between appraisals. While the data received from some districts indicated that repairs and improvements had been made to some properties, it was assumed that all cases submitted represented properties which were considered by the district to meet these requirements, and that cases where there had been substantial changes in the property were not submitted.

Results - Tables 1 and 2 summarize the data which were compiled. Some of the more important facts disclosed by these data are as follows:

1. Data were obtained for 1,555 identical properties which were appraised during the two periods. For the country as a whole, normal agricultural values increased by 11.8 percent and present market values by 44.2 percent. In nearly all States, average normal agricultural values were higher during the war period than during the prewar period.
2. Average increases in normal agricultural values were largest in the Columbia district (41.2 percent), and smallest in the Louisville district (2.8 percent). For the Springfield, New Orleans, and Spokane districts increases averaged about 19 percent; for the Wichita district about 13 percent; and for all other farm credit districts, less than 10 percent.
3. Increases in the normal agricultural value of the farms were accompanied by increases in the appraised values of both land and buildings. The normal agricultural value of the farm land alone increased by 45.7 percent in the Columbia district, 21.6 percent in the New Orleans district, 15.6 percent in the Springfield district, 13.9 percent in the St. Paul district, and 13.6 percent in the Spokane district. In all remaining districts the average increase amounted to less than 10 percent.

a/ This summary was prepared by Donald S. Moore of the Economic and Credit Research Division.

4. Appraisal reports for a number of farms indicated that substantial expenditures had been made for improvements and repairs during the period between the two appraisals. This was reflected in substantial increases in the appraised value of buildings to the farms. In the Springfield district the average appraised value of buildings per farm increased by \$1,686, the largest increase of any farm credit district.
5. Market values at the time of appraisal increased considerably more than normal agricultural values. In all farm credit districts average market values increased by more than one-third. Columbia was the only district where the percentage increase in market values was not at least twice as great as the percentage increase in normal agricultural values. In seven districts (Baltimore, Louisville, St. Louis, St. Paul, Omaha, Houston, and Berkeley) the rate of increase in market values was more than four times the increase in normal agricultural values. For the country as a whole, average normal agricultural values were almost as high as average market values during the first period, while during the last period they averaged only three-fourths as much.
6. In the Omaha and St. Louis districts a comparison was made of the percentage increases in normal agricultural values between good and poor farms. In both of these districts the greater percentage increases of normal agricultural values occurred on the better farms.

These data indicate that appraised normal agricultural values generally were somewhat higher during the war period than during the prewar period, but that the rate of increase was considerably less than the rate of increase in market values. The increase in normal agricultural values in some instances at least partially could be accounted for by physical improvement of the farm land appraised. Levelling of land in irrigated areas, improved cropping methods, and terraces increased the productivity of many farms. In the Corn Belt recognition was given of the fact that established use of hybrid corn resulted in increased yields and income. On the other hand, there were some farms which suffered physical deterioration between the two periods. The increases in normal agricultural values in the Columbia district probably were related to some extent to the fact that after the period covered by the first appraisals, the base normal price for tobacco was changed from a maximum of 17 cents to 23 cents, and authority was given to recognize the value of woodlands in normal agricultural values.

Table 1 - Average percent increase in appraised values of identical farms appraised during the period 1/1/37 - 6/30/41 and again appraised during the period 7/1/43 - 6/30/45.

State District	No. of farms appraised	Percent increase between first appraisal and second appraisal				Memo.	
		Value of buildings to farm	Normal agricultural value of land	Normal agricultural value of farm	Market value of farm	Percent normal agricultural value of farms were of market value	
						First appraisal	Second appraisal
Me	14	41.2	11.8	8.8	33.1	100.3	81.9
N. H.	4	83.5	12.1	28.6	24.7	79.7	82.2
Vt.	28	38.6	27.6	27.5	29.5	101.0	99.4
Mass.	42	46.3	17.3	17.0	32.8	93.7	82.6
R. I.	4	55.6	18.3	26.9	37.0	84.1	77.8
Conn.	26	53.0	22.9	21.5	49.2	95.2	77.5
N. Y.	154	37.9	12.9	16.7	37.2	100.7	85.6
N. J.	75	61.2	14.7	22.6	41.8	92.6	80.1
SPRINGFIELD	347	46.6	15.6	19.4	38.0	96.9	83.9
Pa.	9	16.5	1.4	4.6	20.0	98.1	85.5
Del.	-	-	-	-	-	-	-
Md.	3	47.7	14.4	26.5	52.6	78.1	64.7
Va.	11	25.2	-2.0	-0.7	35.3	99.9	73.3
W. Va.	6	21.8	7.6	8.1	40.3	82.7	63.7
BALTIMORE	29	25.0	1.0	3.8	34.8	95.0	73.1
N. C.	45	82.7	49.8	47.8	64.1	86.8	78.2
S. C.	16	31.8	19.7	20.9	40.8	87.3	74.9
Ga.	40	55.9	11.9	14.9	54.3	95.7	71.3
Fla.	14	21.1	101.2	81.1	119.5	69.9	57.6
COLUMBIA	115	59.2	45.7	41.2	70.8	84.8	70.1
Ohio	52	7.2	2.5	1.4	29.0	97.2	76.4
Ind.	48	12.0	7.3	3.0	42.9	97.9	70.6
Ky.	25	-1.6	10.5	1.5	47.1	94.2	65.0
Tenn.	18	3.0	18.5	11.6	55.1	97.4	70.1
LOUISVILLE	143	7.5	6.9	2.8	39.1	97.0	71.7
Ala.	64	39.2	31.7	28.0	53.7	101.3	81.7
Miss.	31	39.2	15.9	13.2	34.7	101.7	85.4
La.	7	33.0	15.0	13.1	39.3	97.5	79.1
NEW ORLEANS	102	38.7	21.6	18.8	44.1	101.2	83.4
Ill.	61	14.4	7.7	6.6	31.0	102.8	83.6
Mo.	18	29.3	9.6	12.4	56.7	116.3	83.5
Ark.	25	32.6	16.3	15.5	55.6	97.7	72.6
ST. LOUIS	104	17.4	9.4	8.6	37.1	102.7	81.3
Mich.	35	39.0	25.4	16.6	54.0	99.5	75.3
Wis.	48	29.4	17.0	7.3	30.2	105.3	86.7
Minn.	66	36.3	9.2	6.2	31.2	106.5	86.2
N. Dak.	-	-	-	-	-	-	-
ST. PAUL	149	34.1	13.9	8.2	34.6	105.0	84.4
Iowa	83	42.1	9.1	7.2	38.4	108.1	83.7
S. Dak.	10	31.4	7.3	4.4	39.1	129.1	96.9
Nebr.	32	34.5	10.2	9.1	64.5	113.8	75.5
Wyo.	-	-	-	-	-	-	-
OMAHA	125	39.8	9.2	7.4	43.6	110.3	82.5
Kans.	42	26.0	6.2	9.0	38.4	94.8	74.7
Okla.	49	74.5	9.7	17.1	33.8	91.5	80.1
Colo.	22	65.8	8.0	13.6	40.6	98.6	79.7
N. Mex.	4	212.0	21.7	31.3	85.0	89.3	63.4
WICHITA	117	47.2	8.3	13.3	38.7	94.0	76.8
Tex.	-	-	-	-	-	-	-
HOUSTON	127	49.9	5.0	5.7	44.3	89.7	65.6
Ariz.	13	65.1	5.8	10.2	64.0	104.1	69.9
Utah	2	-4.3	17.6	13.4	65.9	99.0	67.7
Nev.	1	170.6	5.9	25.0	48.6	86.5	72.7
Calif.	86	28.4	8.5	9.6	62.8	78.8	53.1
BERKELEY	102	31.2	8.4	9.8	62.9	81.4	54.9
Mont.	21	42.4	16.0	23.6	41.2	94.0	82.3
Idaho	38	66.4	16.5	22.3	68.0	96.9	70.5
Wash.	18	20.5	18.5	21.9	63.6	88.3	65.8
Oreg.	18	32.8	0.6	6.1	46.5	99.9	72.3
SPOKANE	95	42.5	13.6	19.2	57.2	95.0	72.0
UNITED STATES	1,555	37.0	11.6	11.8	44.2	97.2	75.4

Table 2 - Average amount of increase in appraised values of identical farms appraised during the period 1/1/37 - 6/30/41 and again appraised during the period 7/1/43 - 6/30/45.

State District	Number of farms appraised	Average amount of increase per farm between first appraisal and second appraisal			
		Value of buildings to farm	Normal agricultural value of land	Normal agricultural value of farm	Market value
Me.	14	\$ 942	\$163	\$243	\$915
N. H.	4	2,444	203	900	975
Vt.	28	1,427	934	1,329	1,410
Mass.	42	1,805	466	815	1,676
R. I.	4	2,425	600	1,525	2,500
Conn.	26	1,958	618	1,050	2,527
N. Y.	154	1,307	469	856	1,893
N. J.	75	2,459	514	1,343	2,679
SPRINGFIELD	347	1,686	513	993	2,001
Pa.	9	767	72	323	1,433
Del.	-	-	-	-	-
Md.	3	2,800	1,050	2,517	6,400
Va.	11	913	-295	-116	5,977
W. Va.	6	633	320	450	2,717
BALTIMORE	29	1,005	86	409	3,936
N. C.	45	858	1,136	1,514	2,338
S. C.	16	387	547	781	1,750
Ga.	40	377	205	339	1,286
Fla.	14	186	3,972	3,871	8,171
COLUMBIA	115	544	1,075	1,290	2,612
Ohio	52	184	115	88	1,929
Ind.	48	298	335	200	2,911
Ky.	25	-30	369	77	2,560
Tenn.	18	29	574	458	2,229
LOUISVILLE	143	166	290	170	2,407
Ala.	64	259	630	665	1,377
Miss.	31	401	1,037	942	2,444
La.	7	272	505	500	1,542
NEW ORLEANS	102	304	743	738	1,713
Ill.	61	455	998	1,023	4,673
Mo.	18	296	407	629	2,463
Ark.	25	317	1,245	1,352	4,955
ST. LOUIS	104	395	954	1,034	4,358
Mich.	35	865	844	819	2,682
Wis.	48	972	927	572	2,244
Minn.	66	860	637	536	2,531
N. Dak.	-	-	-	-	-
ST. PAUL	149	897	780	614	2,474
Iowa	83	1,156	1,088	1,040	5,131
S. Dak.	10	750	570	450	3,080
Nebr.	32	697	859	950	5,903
Wyo.	-	-	-	-	-
OMAHA	125	1,005	988	970	5,165
Kans.	42	330	383	639	2,887
Okla.	49	380	411	794	1,714
Colo.	22	385	359	687	2,072
N. Mex.	4	663	1,104	1,705	5,188
WICHITA	117	373	415	750	2,321
Tex.	-	-	-	-	-
HOUSTON	127	240	274	338	2,955
Ariz.	13	648	454	891	5,369
Utah	2	-50	1,520	1,300	6,450
Nev.	1	1,450	140	800	1,800
Calif.	86	573	688	955	7,956
BERKELEY	102	579	669	953	7,536
Mont.	21	492	833	1,452	2,694
Idaho	38	546	890	1,376	4,329
Wash.	18	289	1,104	1,524	5,003
Oreg.	18	360	38	413	3,176
SPOKANE	95	450	757	1,238	3,877
UNITED STATES	1,555	\$776	\$633	\$817	\$3,139

